

EXHIBIT A

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM TO .

Commission File Number: 001-33807

EchoStar Corporation

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

26-1232727
(I.R.S. Employer Identification No.)

9601 South Meridian Boulevard
Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

Registrant's telephone number, including area code: **(303) 723-1000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.001 par value	SATS	The Nasdaq Stock Market L.L.C.

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2023, the aggregate market value of Class A common stock held by non-affiliates of the registrant was \$585.3 million based upon the closing price of the Class A common stock as reported on the Nasdaq Global Select Market as of the close of business on the last trading day of the month.

As of February 20, 2024, the registrant's outstanding common stock consisted of 140,170,052 shares of Class A common stock and 131,348,468 shares of Class B common stock, each \$0.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated into this Form 10-K by reference:

Portions of the registrant's definitive Proxy Statement to be filed in connection with its 2023 Annual Meeting of Shareholders are incorporated by reference in Part III.

* By: /s/ Dean A. Manson
Dean A. Manson
Attorney-in-Fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
EchoStar Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of EchoStar Corporation and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has debt maturing in 2024 and expects to use a substantial amount of cash in the next twelve months. This raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sufficiency of audit evidence over revenue

As discussed in Note 16 to the consolidated financial statements, the Company reported \$17.0 billion in total revenue for the year ended December 31, 2023, which included Pay-TV, Retail Wireless, and Broadband and Satellite Services revenue of \$11.6 billion, \$3.7 billion, and \$1.7 billion, respectively. These categories of revenue have multiple revenue streams and certain aspects of the Company's processes and information technology (IT) systems differ among the revenue streams.

We identified the evaluation of sufficiency of audit evidence over certain revenue streams as a critical audit matter. Specifically, subjective auditor judgment was required to evaluate that revenue data was captured and aggregated throughout these various IT applications. Additionally, IT professionals with specialized skills and knowledge were required to evaluate the nature and extent of evidence obtained over certain revenue streams.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue. For each revenue stream where procedures were performed, we evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's revenue recognition process, including recording of revenue. We also evaluated the design and tested the operating effectiveness of certain general IT and application controls. We involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT applications used by the Company in its revenue recognition processes and the transfer of relevant revenue data between certain systems used in the revenue recognition processes. For certain revenue streams, we assessed the recorded revenue by comparing total cash received during the year, adjusted for reconciling items, to the revenue recognized. Such assessment also evaluated the relevance and reliability of reconciling items to underlying documentation, including the changes in accounts receivable and deferred revenue. For other revenue streams, we assessed the recorded amounts by sampling transactions or confirming the price and quantity of items sold with third-party customers. Additionally, for other revenue streams we performed a software-assisted data analysis to test relationships among certain revenue transactions. Through these procedures we then compared the amounts recognized for consistency with underlying documentation, including contracts or payment and transaction support. We evaluated the sufficiency of audit evidence obtained by assessing the results of the procedures performed, including the appropriateness of the nature and extent of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Denver, Colorado
February 29, 2024

ECHOSTAR CORPORATION
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)

	As of	
	December 31, 2023	December 31, 2022
Assets		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 1,821,376	\$ 2,497,536
Marketable investment securities	623,044	1,809,898
Trade accounts receivable, net of allowance for credit losses of \$74,390 and \$59,790, respectively	1,122,139	1,182,597
Inventory	665,169	625,979
Prepays and other assets	644,005	617,819
Other current assets	16,081	23,884
Total current assets	4,891,814	6,757,713
<i>Noncurrent Assets:</i>		
Restricted cash, cash equivalents and marketable investment securities	118,065	117,011
Property and equipment, net	9,561,834	7,904,957
Regulatory authorizations, net	38,572,980	37,395,604
Other investments, net	314,370	524,905
Operating lease assets	3,065,448	2,823,834
Intangible assets, net	172,892	1,113,298
Other noncurrent assets, net	411,491	2,110,959
Total noncurrent assets	52,217,080	51,990,568
Total assets	\$ 57,108,894	\$ 58,748,281
Liabilities and Stockholders' Equity (Deficit)		
<i>Current Liabilities:</i>		
Trade accounts payable	\$ 774,011	\$ 1,023,537
Deferred revenue and other	754,658	833,213
Accrued programming	1,427,762	1,298,777
Accrued interest	297,678	298,043
Other accrued expenses and liabilities	1,717,826	1,436,485
Current portion of long-term debt and finance lease obligations (Note 10)	3,046,654	1,552,559
Total current liabilities	8,018,589	6,442,614
<i>Long-Term Obligations, Net of Current Portion:</i>		
Long-term debt and finance lease obligations, net of current portion (Note 10)	19,717,266	21,343,561
Deferred tax liabilities, net	5,014,309	5,354,756
Operating lease liabilities	3,121,307	2,808,774
Long-term deferred revenue and other long-term liabilities	849,131	748,384
Total long-term obligations, net of current portion	28,702,013	30,255,475
Total liabilities	36,720,602	36,698,089
Commitments and Contingencies (Note 15)		
Redeemable noncontrolling interests (Note 2)	438,382	464,359
<i>Stockholders' Equity (Deficit):</i>		
Class A common stock, \$0.001 par value, 1,600,000,000 shares authorized, 140,153,020 and 138,128,368 shares issued and outstanding, respectively	140	138
Class B common stock, \$0.001 par value, 800,000,000 shares authorized, 131,348,468 shares issued and outstanding	131	131
Additional paid-in capital	8,301,979	8,222,599
Accumulated other comprehensive income (loss)	(160,056)	(175,267)
Accumulated earnings (deficit)	11,737,983	13,440,040
Total EchoStar stockholders' equity (deficit)	19,880,177	21,487,641
Noncontrolling interests	69,733	98,192
Total stockholders' equity (deficit)	19,949,910	21,585,833
Total liabilities and stockholders' equity (deficit)	\$ 57,108,894	\$ 58,748,281

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands, except per share amounts)

	For the Years Ended December 31,		
	2023	2022	2021
Revenue:			
Service and other revenue	\$ 16,145,763	\$ 17,596,265	\$ 18,598,313
Equipment sales and other revenue	869,835	1,037,981	1,220,365
Total revenue	17,015,598	18,634,246	19,818,678
Costs and Expenses (exclusive of depreciation and amortization):			
Cost of services	9,510,427	10,111,341	10,717,333
Cost of sales - equipment and other	2,434,904	2,099,136	1,778,471
Selling, general and administrative expenses	2,989,154	3,015,325	2,686,279
Depreciation and amortization	1,597,923	1,174,895	1,213,946
Impairment of long-lived assets and goodwill (Note 2)	761,099	711	245
Total costs and expenses	17,293,507	16,401,408	16,396,274
Operating income (loss)	(277,909)	2,232,838	3,422,404
Other Income (Expense):			
Interest income, net	207,374	93,240	33,903
Interest expense, net of amounts capitalized	(90,357)	(79,217)	(111,151)
Other, net (Note 6)	(1,770,792)	1,088,441	4,716
Total other income (expense)	(1,653,775)	1,102,464	(72,532)
Income (loss) before income taxes	(1,931,684)	3,335,302	3,349,872
Income tax (provision) benefit, net	296,860	(798,410)	(828,437)
Net income (loss)	(1,634,824)	2,536,892	2,521,435
Less: Net income (loss) attributable to noncontrolling interests, net of tax	67,233	59,172	35,150
Net income (loss) attributable to EchoStar	\$ (1,702,057)	\$ 2,477,720	\$ 2,486,285
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	270,842	270,102	275,117
Diluted	270,842	307,733	313,122
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to EchoStar	\$ (6.28)	\$ 9.17	\$ 9.04
Diluted net income (loss) per share attributable to EchoStar	\$ (6.28)	\$ 8.05	\$ 7.94
Comprehensive Income (Loss):			
Net income (loss)	\$ (1,634,824)	\$ 2,536,892	\$ 2,521,435
Other comprehensive income (loss):			
Foreign currency translation adjustments	19,129	35,449	(22,274)
Unrealized holding gains (losses) on available-for-sale debt securities	(306)	536	(694)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	550	(25)	(25)
Deferred income tax (expense) benefit, net	(512)	(359)	519
Other	—	2,660	(5,005)
Total other comprehensive income (loss), net of tax	18,861	38,261	(27,479)
Comprehensive income (loss)	(1,615,963)	2,575,153	2,493,956
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	70,883	60,879	30,761
Comprehensive income (loss) attributable to EchoStar	\$ (1,686,846)	\$ 2,514,274	\$ 2,463,195

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Treasury Shares at Cost (Note 2)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2020	<u>\$ 266</u>	<u>\$ 8,727,300</u>	<u>\$ (188,731)</u>	<u>\$ 8,826,948</u>	<u>\$ —</u>	<u>\$ 65,405</u>	<u>\$ 17,431,188</u>	<u>\$ 350,648</u>
Issuance of Class A common stock:								
Exercise of stock awards	—	40,971	—	—	—	—	40,971	—
Employee benefits	1	37,445	—	—	—	—	37,446	—
Employee Stock Purchase Plan	1	27,210	—	—	—	—	27,211	—
Non-cash, stock-based compensation	—	59,379	—	—	—	—	59,379	—
Other comprehensive income (loss):	—	—	(23,090)	—	—	(4,389)	(27,479)	—
Convertible debt reclassified per ASU 2020-06, net of deferred taxes of \$245,778 (Note 2)	—	(805,566)	—	—	—	—	(805,566)	—
Contribution by non-controlling interest holder	—	—	—	—	—	9,880	9,880	—
Treasury share repurchase	—	—	—	—	(261,609)	—	(261,609)	—
Other, net	—	(750)	—	(261,609)	261,609	—	(750)	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(9,424)	(9,424)	44,574
Net income (loss) attributable to EchoStar	—	—	—	2,486,285	—	—	2,486,285	—
Balance, December 31, 2021	<u>\$ 268</u>	<u>\$ 8,085,989</u>	<u>\$ (211,821)</u>	<u>\$ 11,051,624</u>	<u>\$ —</u>	<u>\$ 61,472</u>	<u>\$ 18,987,532</u>	<u>\$ 395,222</u>
Issuance of Class A common stock:								
Exercise of stock awards	—	200	—	—	—	—	200	—
Employee benefits	—	33,389	—	—	—	—	33,389	—
Employee Stock Purchase Plan	1	27,238	—	—	—	—	27,239	—
Non-cash, stock-based compensation	—	82,994	—	—	—	—	82,994	—
Other comprehensive income (loss):	—	—	36,554	—	—	1,707	38,261	—
Issuance of equity and contribution of assets pursuant to the India JV formation	—	(14,237)	—	—	—	44,540	30,303	—
Consideration received from DISH Network for R&D tax credits utilized	—	6,315	—	—	—	—	6,315	—
Treasury share repurchase	—	—	—	—	(89,303)	—	(89,303)	—
Other, net	—	711	—	(89,304)	89,303	438	1,148	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(9,965)	(9,965)	69,137
Net income (loss) attributable to EchoStar	—	—	—	2,477,720	—	—	2,477,720	—
Balance, December 31, 2022	<u>\$ 269</u>	<u>\$ 8,222,599</u>	<u>\$ (175,267)</u>	<u>\$ 13,440,040</u>	<u>\$ —</u>	<u>\$ 98,192</u>	<u>\$ 21,585,833</u>	<u>\$ 464,359</u>
Issuance of Class A common stock:								
Exercise of stock awards	—	(1,444)	—	—	—	—	(1,444)	—
Employee benefits	1	20,100	—	—	—	—	20,101	—
Employee Stock Purchase Plan	1	12,041	—	—	—	—	12,042	—
Non-cash, stock-based compensation	—	51,514	—	—	—	—	51,514	—
Other comprehensive income (loss)	—	—	15,211	—	—	3,650	18,861	—
Other, net	—	(2,831)	—	—	—	(439)	(3,270)	—
Purchase of Northstar Manager, LLC's ownership interest in Northstar Spectrum	—	—	—	—	—	—	—	(109,432)
Deconsolidation of Hughes Systique Corporation	—	—	—	—	—	(15,448)	(15,448)	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(16,222)	(16,222)	83,455
Net income (loss) attributable to EchoStar	—	—	—	(1,702,057)	—	—	(1,702,057)	—
Balance, December 31, 2023	<u>\$ 271</u>	<u>\$ 8,301,979</u>	<u>\$ (160,056)</u>	<u>\$ 11,737,983</u>	<u>\$ —</u>	<u>\$ 69,733</u>	<u>\$ 19,949,910</u>	<u>\$ 438,382</u>

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2023	2022	2021
Cash Flows From Operating Activities:			
Net income (loss)	\$ (1,634,824)	\$ 2,536,892	\$ 2,521,435
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i>			
Depreciation and amortization	1,597,923	1,174,895	1,213,946
Impairment of long-lived assets and goodwill	761,099	711	245
Realized and unrealized losses (gains) on investments, impairments and other	(46,888)	(72,371)	(7,541)
Realized and unrealized losses (gains) on derivatives	1,693,387	(1,015,387)	13,000
Non-cash, stock-based compensation	51,514	82,994	59,379
Deferred tax expense (benefit)	(337,222)	729,587	639,708
Changes in allowance for credit losses	14,600	6,590	(34,635)
Change in long-term deferred revenue and other long-term liabilities	15,825	83,453	65,943
Other, net	166,383	253,784	135,871
Changes in current assets and current liabilities, net			
Trade accounts receivable	20,622	(74,812)	206,995
Prepaid and accrued income taxes	15,836	(36,115)	81,197
Inventory	(37,981)	16,200	(175,918)
Other current assets	(40,290)	21,737	(47,144)
Trade accounts payable	4,108	90,721	86,219
Deferred revenue and other	(78,555)	(71,709)	(62,034)
Accrued programming and other accrued expenses	267,110	(105,980)	(41,293)
Net cash flows from operating activities	2,432,647	3,621,190	4,655,373
Cash Flows From Investing Activities:			
Purchases of marketable investment securities	(2,407,546)	(1,965,859)	(6,338,641)
Sales and maturities of marketable investment securities	3,710,544	4,159,830	4,390,903
Purchases of property and equipment	(3,100,921)	(3,050,472)	(1,619,312)
Refunds and other receipts of purchases of property and equipment	38,611	—	—
Capitalized interest related to regulatory authorizations (Note 2)	(1,162,473)	(984,309)	(777,885)
Proceeds from other debt investments	148,448	—	—
Refund of regulatory authorizations deposit	—	—	337,490
Purchases of regulatory authorizations, including deposits	(2,009)	(7,206,865)	(122,657)
Other, net	(33,386)	(11,900)	(116,621)
Net cash flows from investing activities	(2,808,732)	(9,059,575)	(4,246,723)
Cash Flows From Financing Activities:			
Repayment of long-term debt and finance lease obligations	(121,981)	(86,229)	(89,958)
Redemption and repurchases of senior notes	(1,460,635)	(2,056,821)	(2,901,818)
Proceeds from issuance of senior notes	1,500,000	2,000,000	6,750,000
Repurchases of convertible notes	(182,834)	—	—
Early debt extinguishment gains (losses)	73,024	—	—
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	10,598	27,438	68,182
Purchase of Northstar Manager, LLC's ownership interest in Northstar Spectrum	(109,432)	—	—
Treasury share repurchase	—	(89,303)	(261,436)
Debt issuance costs and debt (discount) premium	21,635	(51,121)	(34,459)
Other, net	(7,496)	(18,413)	(15,507)
Net cash flows from financing activities	(277,121)	(274,449)	3,515,004
Effect of exchange rates on cash and cash equivalents	3,004	(2,306)	(3,749)
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	(650,202)	(5,715,140)	3,919,905
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period (Note 5)	2,561,803	8,276,943	4,357,038
Cash, cash equivalents, restricted cash and cash equivalents, end of period (Note 5)	<u>\$ 1,911,601</u>	<u>\$ 2,561,803</u>	<u>\$ 8,276,943</u>

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business Activities

Principal Business

EchoStar Corporation is a holding company that was organized in October 2007 as a corporation under the laws of the State of Nevada. Its subsidiaries (which together with EchoStar Corporation are referred to as “EchoStar,” the “Company,” “we,” “us” and/or “our,” unless otherwise required by the context).

Recent Developments

Merger with DISH Network

On December 31, 2023, we completed the acquisition of DISH Network pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of October 2, 2023 (the “Amended Merger Agreement”), by and among us, EAV Corp., a Nevada corporation and our wholly owned subsidiary (“Merger Sub”), and DISH Network, pursuant to which we acquired DISH Network by means of the merger of Merger Sub with and into DISH Network (the “Merger”), with DISH Network surviving the Merger as our wholly owned subsidiary.

On the terms and subject to the conditions set forth in the Amended Merger Agreement, on December 31, 2023, at 11:59 p.m. ET (the “Effective Time”), each share of DISH Network Class A common stock, par value \$0.01 per share (“DISH Network Class A Common Stock”) and DISH Network Class C common stock, par value \$0.01 per share (“DISH Network Class C Common Stock”) outstanding immediately prior to the Effective Time, was converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class A common stock, par value \$0.001 per share (“EchoStar Class A Common Stock”) equal to 0.350877 (the “Exchange Ratio”). On the terms and subject to the conditions set forth in the Amended Merger Agreement, at the Effective Time, each share of DISH Network Class B common stock, par value \$0.01 per share (“DISH Network Class B Common Stock” and, together with DISH Network Class A Common Stock and DISH Network Class C Common Stock, “DISH Network Common Stock”), outstanding immediately prior to the Effective Time was converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class B common stock, par value \$0.001 per share (the “EchoStar Class B Common Stock” and, together with the EchoStar Class A Common Stock, the “EchoStar Common Stock”), equal to the Exchange Ratio. Any shares of DISH Network Common Stock that were held in DISH Network’s treasury or held directly by us or Merger Sub immediately prior to the Effective Time were cancelled and cease to exist and no consideration was paid in respect thereof. All shares of the DISH Network Class A Common Stock were delisted from the Nasdaq Global Select Market (“NASDAQ”) and deregistered under the Securities Exchange Act of 1934, as amended.

The EchoStar Common Stock issued to the Ergen DISH Stockholders (as defined in the Amended Merger Agreement) as Merger consideration was issued through a private placement exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”). At the Effective Time, each share of DISH Network Class A Common Stock owned by the Ergen DISH Stockholders immediately prior to the Effective Time was converted into the right to receive a number of shares of EchoStar Class A Common Stock equal to the Exchange Ratio, and (b) each share of DISH Network Class B Common Stock owned by the Ergen DISH Stockholders immediately prior to the Effective Time was converted into the right to receive a number of shares of EchoStar Class B Common Stock equal to the Exchange Ratio.

Concurrently with the entry into the Amended Merger Agreement, the Ergen EchoStar Stockholders (as defined in the Amended Merger Agreement), the Ergen DISH Stockholders (collectively, the “Ergen Stockholders”), we and DISH Network entered into an amended and restated support agreement (the “Amended Support Agreement”).

In connection with the completion of the Merger, and pursuant to the Amended and Restated Support Agreement, the Ergen Stockholders, we and DISH Network, on December 31, 2023, we and the Ergen Stockholders entered into a registration rights agreement (the “Registration Rights Agreement”).

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The Registration Rights Agreement provides the Ergen Stockholders, and their affiliates who become parties thereto, with certain registration rights relating to the shares of EchoStar Common Stock, which they beneficially own, including (i) the right to demand shelf registration as well as registration on long and short form registration statements and (ii) “piggyback” registration rights to be included in future registered offerings by us of our equity securities, in each case, subject to certain requirements and customary conditions. The Registration Rights Agreement sets forth customary registration procedures, including an agreement by us to make appropriate officers available to participate in roadshow presentations and cooperate as reasonably requested in connection with any underwritten offerings. We also agreed to indemnify the Ergen Stockholders and their affiliates with respect to liabilities resulting from untrue statements or omissions in any registration statement used in any such registration, other than untrue statements or omissions based on or contained in information furnished to us for use in a registration statement by a participating stockholder.

For more information and a copy of the Amended Merger Agreement, the Amended Support Agreement and the Registration Rights Agreement, see the Form 8-K of EchoStar Corporation filed on October 3, 2023 and the Form 8-K of EchoStar Corporation filed on January 2, 2024.

With the Merger complete, we are currently focused on the process of integrating our and DISH Network’s business in a manner that facilitates synergies, cost savings, growth opportunities and achieves other anticipated benefits (the “Integration”).

Future Capital Requirements

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Our cash and cash equivalents and marketable investment securities totaled \$2.4 billion as of December 31, 2023 (“Cash on Hand”). As reflected in the consolidated financial statements as of December 31, 2023, we have \$951 million and \$1.98 billion of debt maturing in March and November 2024, respectively, as well as a \$438 million obligation related to the SNR put right. We satisfied the SNR obligation out of Cash on Hand on February 16, 2024, and for calendar year 2024 are forecasting negative cash flows.

Because we do not currently have committed financing to fund our operations for at least twelve months from the issuance of these consolidated financial statements, substantial doubt exists about our ability to continue as a going concern. We currently intend to use Cash on Hand and cash flow from operations to pay the March 2024 debt maturity. However, we do not currently have the necessary Cash on Hand and/or projected future cash flows to fund the November 2024 debt maturity and subsequent interest on our outstanding debt. To address our capital needs, we are in active discussions with funding sources to raise additional capital and restructure our outstanding debt. We cannot provide assurances that we will be successful in obtaining such new financing and/or restructuring the existing debt obligations necessary for us to have sufficient liquidity. Further, if we are not successful in these endeavors, then capital expenditures to meet future FCC build out requirements and wireless customer growth initiatives will be adversely affected.

The consolidated financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should we not continue as a going concern.